

Message Text

CONFIDENTIAL

PAGE 01 VIENNA 04415 311713Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-07
NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00
NEA-10 MC-02 NSC-05 SSC-01 IO-13 /090 W
-----010029Z 007741 /64

R 311615Z MAY 77
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 1902
INFO AMEMBASSY BELGRADE
AMEMBASSY BONN
AMEMBASSY BUDAPEST
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY PRAGUE
USNATO 1927
SECDEF WASHDC
DIA WASHDC
CINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L VIENNA 4415

EO 11652: GDS
TAGS: PFOR, MPOL, UR, AU
SUBJECT: DEFENSE MINISTER RESIGNS IN WAKE OF ARMS SALE SCANDAL

REF: VIENNA 0701

1. BEGIN SUMMARY: DEFENSE MINISTER LUETGENDORF RESIGNED
"VOLUNTARILY" ON MAY 30 FOR WHAT HE TERMED BEST INTERESTS OF
AUSTRIA AND ITS DEFENSE EFFORT. RESIGNATION CAME IN WAKE OF
REPORT BY PARLIAMENTARY INVESTIGATORY COMMITTEE CITING
LUETGENDORF FOR WITHOLDING INFORMATION FROM CHANCELLOR AND
PARLIAMENT WHEN CONTROVERSIAL ARMS-AMMO SALES TO SYRIA FIRST
BECAME PUBLIC KNOWLEDGE IN LATE 1976. CHANCELLOR WILL MEET
THIS WEEK WITH SOCIALIST PARTY LEADERSHIP TO SELECT SUCCESSOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VIENNA 04415 311713Z

WHO, ACCORDING TO MOST INDICATIONS, WILL BE INTERIOR
MINISTER ROESCH. END SUMMARY.

2. IN LONG ANTICIPATED MOVE, DEFENSE MINISTER LUETGENDORF
RESIGNED ON MAY 30 IN WAKE OF FARILY CRITICAL PARLIAMENTARY
REPORT PUBLISHED LAST WEEK CENSURING HIM FOR BEING
LESS THAN CANDID IN HIS INITIAL REPORT TO PARLIAMENT ON

HIS INVOLVEMENT IN AND KNOWLEDGE OF A QUESTIONABLE ARMS-AMMO DEAL WITH SYRIA (REFTEL). PARLIAMENTARY COMMITTEE'S REPORT, WHICH WAS ADOPTED BY UNANIMOUS VOTE, ABSOLVED LUETGENDORF OF ANY VIOLATION OF AUSTRIAN LAW IN PROMOTING EXPORT OF 600 SPORTING RIFLES AND ABOUT 400,000 ROUNDS OF AMMO TO SYRIA BUT NOTED THAT ACCOUNT OF TRANSACTION WHICH LUETGENDORF GAVE CHANCELLOR EARLY IN 1977 "DID NOT REFLECT FULL EXTENT OF HIS KNOWLEDGE AND INFORMATION". IN SETTING OUT FACTUAL SITUATION OF TRANSACTION, REPORT INDICATED THAT LUETGENDORF HAD INACCURATELY STATED THAT AMMO WAS FOR SHIPMENT TO TUNISIA WHEN IN FACT HE KNEW, AS HE ADMITTED UNDER QUESTIONING BY COMMITTEE, THAT IT WAS DESTINED FOR SYRIA.

3. AFTER SUBMITTING HIS RESIGNATION, LUEGENDORF MET WITH PRESS AND REAFFIRMED HIS INNOCENCE OF ANY CRIMINAL ACTION AND REPEATED HIS OFT-MADE CHARGE THAT HE WAS VICTIM OF GENERAL CAMPAIGN WHICH MASS MEDIA HAD WAGED AGAINST HIM. HE ADDED HE DID NOT FEEL GUILTY ON ALL POINTS RAISED IN PARLIAMENTARY REPORT BUT DID ADMIT THAT HE HAD ACTED IN "PERHAPS UNWISE FASHION" ON ONE OR ANOTHER OCCASION. CHANCELLOR, IN COMMENT TO PRESS ON SAME DAY, STATED THAT LUETGENDORF HAD ACTED IN "HIGHLY UNWISE FASHION" IN ENTIRE MATTER AND THAT HE SHOULD HAVE TOLD PARLIAMENT FULL STORY INITIALLY.

4. INTERIOR MINISTER ROESCH, WHO HAS SOLID SOCIALIST CREDENTIALS AND WHO SERVED AS STATE SECRETARY IN DEFENSE MINISTRY DURING PERIOD 1959-66, APPEARS TO BE KREISKY'S
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 VIENNA 04415 311713Z

CHOICE AS NEXT DEFENSE MINISTER. SOCIALIST PARTY EXECUTIVE COMMITTEE WILL MEET THIS WEEK TO APPROVE KREISKY'S SELECTION AND ROESCH WILL PROBABLY BE SWORN IN NEXT WEEK. SOCIALIST PARTY SECRETARIES MARSCH AND BLECHA AND TYROLIAN DEPUTY GOVERNOR SALCHER HAVE BEEN MENTIONED AS LEADING CANDIDATES FOR POSITION OF NEXT INTERIOR MINISTER.

5. COMMENT: LUETGENDORF'S DISMISSAL CAME ABOUT LARGELY THROUGH AGGRESSIVE INVESTIGATORY EFFORT BY AUSTRIAN NON-SOCIALIST MEDIA WHICH REPEATEDLY PRINTED LEAKED MATERIAL FROM OFFICIAL SOURCES HIGHLY EMBARRASSING TO DEFENSE MINISTER. IT WAS THIS MATERIAL WHICH ALERTED GENERAL PUBLIC TO SUBJECT AND WHICH EVENTUALLY PROMPTED ESTABLISHMENT OF SPECIAL PARLIAMENTARY COMMITTEE TO CONDUCT INVESTIGATION. OVERWHELMING MAJORITY OF AUSTRIANS, INCLUDING MOST RANK AND FILE SOCIALISTS, FEEL LUETGENDORF'S POOR JUDGMENT AND BY IMPLICATION, MISMANAGEMENT OF DEFENSE MINISTRY, WERE

RESPONSIBLE FOR HIS POLITICAL DEMISE. HOWEVER, SOME
SOCIALIT QUARTERS ARE OF VIEWPOINT THAT LUETGENDORF
FELL VICTIM TO CALCULATED CONSPIRACY TO KEEP AUSTRIA OUT
OF LUCRATIVE ARMS SALES BUSINESS IN MIDDLE EAST SINCE
CONTROVERSIAL SALE TO SYRIA WAS VIEWED AS OPENING OF
MARKET FOR AUSTRIA. IN THIS CONNECTION, ONE SOCIALIST
PAPER HAS SUGGESTED THAT INTELLIGENCE SERVICES OF LARGE
WESTERN AND OF SMALL POWER IN MIDDLE EAST (READ ISRAEL)
WERE BEHIND ENTIRE SCANDAL AND THAT IN HELPING TO UNCOVER
MATTER, STATES IN QUESTION WERE PURSUING THEIR OWN
ECONOMIC AND MILITARY INTERESTS. FOREGOING EXPLANATION
SERVES PURPOSE OF DEFLECTING ATTENTION FROM GOA'S OWN
LACK OF CLEAR AND CLOSELY REGULATED ARMS SALES POLICY
AND OF LUETGENDORF'S EXTRAORDINARY POOR JUDGMENT IN
BECOMING PERSONALLY SO HEAVILY INVOLVED IN ARMS
TRANSACTIONS OF QUESTIONABLE NATURE TO AREA OF CONFLICT. MEEHAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORRUPTION, ARMS, PERSONNEL RESIGNATIONS, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Sent Date: 31-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977VIENNA04415
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770193-1135
Format: TEL
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977051/aaaaaagb.tel
Line Count: 131
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2d1ec486-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 VIENNA 701
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2311107
Secure: OPEN
Status: NATIVE
Subject: DEFENSE MINISTER RESIGNS IN WAKE OF ARMS SALE SCANDAL
TAGS: PFOR, MPOL, UR, AU, (LUETGENDORF, KARL FERDINAND)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/2d1ec486-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009